

Message Text

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ACTION NEA-16

INFO OCT-01 ISO-00 AID-20 IGA-02 SWF-02 EB-11 COME-00

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STR-08 OMB-01 CEA-02 IO-14 PA-04 PRS-01 USIA-15 DRC-01

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R 091350Z SEP 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3782

INFO AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS NEW DELHI 11984

E.O. 11652: N/A

TAGS: EAGR IN

SUBJECT: INDIAN FOODGRAIN SITUATION

REF: NEW DELHI 11684

SUMMARY: THE MONSOON REMAINED GREATLY DIMINISHED FOR THE SECOND WEEK IN A ROW. ITS PERFORMANCE DURING SEPTEMBER WILL BE OF CRITICAL IMPORTANCE IN DETERMINING THE EXTENT OF THE SHORTFALL IN THIS YEAR'S FALL HARVEST. THE STATE CHIEF MINISTERS ARE SCHEDULED TO MEET IN NEW DELHI THIS WEEKEND TO DISCUSS PROCUREMENT PRICES AND POLICIES FOR THE UPCOMING RICE AND COARSE GRAIN CROPS.
END SUMMARY.

1. MONSOON ACTIVITY REMAINED GREATLY DIMINISHED FOR THE WEEK ENDING SEPTEMBER 4. FROM ITS STRONGEST PERFORMANCE DURING THE FIRST WEEK IN AUGUST, THE MONSOON HAS DURING
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THE PAST TWO WEEKS GENERALLY BEEN AT ITS WEAKEST DURING THE

CURRENT SEASON.

2. ASSAM AND THE NORTHERN PARTS OF WEST BENGAL, WHICH FOR THE LAST SEVERAL WEEKS HAVE BEEN SUFFERING FROM FLOODS, RECEIVED GENERALLY VERY HEAVY RAINFALL FOR THE WEEK ENDING SEPTEMBER 4. AREAS IMMEDIATELY ADJOINING ASSAM ALSO RECEIVED NORMAL OR ABOVE NORMAL RAINFALL. EXCEPT FOR THE ABOVE AREAS, PLUS TAMIL NADU AND COASTAL MAHARASHTRA WHICH RECEIVED NORMAL AMOUNTS OF RAINFALL, THE REST OF INDIA DURING THE WEEK ENDING SEPTEMBER 4 WAS VERY DEFICIENT IN RAINFALL, RANGING FROM APPROXIMATELY 50 PERCENT BELOW NORMAL TO NO PRECIPITATION.

3. THE MONSOON'S PERFORMANCE DURING SEPTEMBER WILL BE OF CRUCIAL IMPORTANCE IN DETERMINING THE SIZE OF THIS FALL'S CROPS. A CONTINUATION OF THE PRESENT WEAK MONSOON OVER MOST PARTS OF THE COUNTRY WILL FURTHER DIMINISH PROSPECTS FOR THIS YEAR'S KHARIF CROPS.

4. THE UNION GOVERNMENT HAS CALLED A CONFERENCE OF THE STATE CHIEF MINISTERS FOR THIS WEEKEND TO DISCUSS PROCUREMENT PRICES AND POLICIES IN REGARD TO THE UPCOMING 1974-75 RICE AND COARSE GRAIN CROPS. MOST FEEL THE CENTRAL GOVERNMENT WILL BE FORCED TO INCREASE THIS YEAR'S PROCUREMENT PRICES BECAUSE OF THE INCREASED COSTS OF PRODUCTION DUE TO INCREASED PRICES OF SUCH ITEMS AS FUEL AND FERTILIZER. PUNJAB AND HARYANA HAVE STATED THAT THE PROCUREMENT PRICE OF PADDY (ROUGH RICE) SHOULD BE SET AT RS. 100 PER QUINTAL (DOLS 6.05 PER 100 LBS.) AS COMPARED TO LAST YEAR'S PROCUREMENT PRICE OF RS. 70 PER QUINTAL (DOLS 4.23 PER 100 LBS.).

5. SUPPLIES OF FOODGRAINS AND OTHER FOOD ARTICLES ARE TIGHT AND ARE LIKELY TO BECOME SCARCER DURING THE NORMALLY LEAN SEPTEMBER-OCTOBER PERIOD. WITH THE ANTICIPATED REDUCED HARVESTS THIS FALL, LITTLE, IF ANY, RELIEF IS EXPECTED UNTIL POSSIBLY THE SPRING HARVESTS.

6. WITH RISING PRICES, WHEAT HAS DISAPPEARED FROM THE OPEN MARKET IN MANY AREAS WHERE STATUTORY WHOLESALE AND RETAIL PRICES HAVE BEEN SET. CONGEN BOMBAY REPORTS THAT MAHARASHTRA HAS

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REMOVED THE PRICE CEILING ON WHEAT IN AN EFFORT TO INCREASE SUPPLIES COMING TO THE MARKET.SCHNEIDER

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